



MACQUARIE KOREA INFRASTRUCTURE FUND REPORTS THRID QUARTER 2009 FINANCIAL AND TRAFFIC RESULTS

30 October 2009 - Macquarie Korea Infrastructure Fund (“MKIF”) today announced its financial results for the 3rd quarter ended 30 September 2009 (the “Quarter”), together with the traffic results for the same period.

Highlights for the Quarter include:

- On a non-consolidated basis, revenue increased by 1% and net income decreased by 6% from the prior corresponding period (pcp) to KRW 39.5 billion and KRW 25.7 billion, respectively. MKIF recorded approximately the same amount of EBITDA compared to pcp of KRW 31.5 billion. The decrease in net income reflects the sale of senior debt provided to Incheon Bridge Co., Ltd. early this year and the increase in interest expense as MKIF borrowings increased during the Quarter to fund its existing commitments. MKIF has approximately KRW 170 billion¹ of outstanding commitments remaining over next 2.5 years.
- The performance of the underlying assets has been sound, positively impacted by the improving economy. On a weighted average basis², actual traffic volume and revenue increased compared to pcp by 5.0% and 7.9%, respectively. Higher revenue growth benefited from inflation-linked toll adjustments in four of MKIF’s operating assets since October 2008.
- The portfolio has de-risked significantly with three successful new asset openings during the Quarter - Yongin-Seoul Expressway, Seoul-Chuncheon Expressway and Seoul Subway Line 9, Section 1.
 - Yongin-Seoul Expressway – commenced tolled operation on 1 July 2009. Average daily traffic volume up to the end of the Quarter was 32,953 vehicles/day or 44% of Concession Agreement (CA) forecast. Weaker initial performance is largely due to delays in construction of major residential projects in the vicinity, nevertheless, traffic ramp up has been steep with around 6.5% weekly growth from opening to the end of the Quarter. This trend is expected to continue as new residential population continue to move in generating expected commuter traffic.
 - Seoul-Chuncheon Expressway – commenced tolled operation on 15 July 2009³. Average daily traffic volume up to the end of the Quarter was 32,190 vehicles/day or 70% of CA forecast.
 - Seoul Subway Line 9, Section 1 – commenced tolled operation on 24 July 2009. Average daily patronage volume up to the end of the Quarter was 130,687 passengers/day⁴ or 79% of CA forecast.

Incheon Grand Bridge and Seosuwon-Osan Pyungtaek Expressway also have successfully opened to traffic this month and only one asset in the portfolio, Busan New Port 2-3, now remains under construction.

1 Excludes MKIF’s conditional commitment to acquire an additional 32% equity interest in Yongin-Seoul Expressway

2 The weighted average growth rates in traffic and revenue are weighted by reference to revenue and calculated based on MKIF’s percentage ownership interest in each concession company. Excludes all new assets which have commenced operation since July 2009

3 Official opening date under concession agreement is 12 August 2009

4 Initial boarding only. Excludes transfer passengers

- As part of MKIF's on-going capital management initiatives, MKIF entered into agreement with a financial institution in July 2009 to divest the subordinated loan of KRW 80 billion MKIF has provided to Kyunggi Highway Co., Ltd, the concessionaire with the right to operate and maintain Seosuwon-Osan-Pyungtaek Expressway. The financial close is expected in December.
- MKIF remains financially healthy with conservative capital positions as at the end of the Quarter.
 - Substantially all of MKIF's operating cash receipts are MRG (Minimum Revenue Guarantee) backed
 - Proportionately consolidated cash balance¹ of KRW 498 billion
 - All asset level debt are fully-funded, amortising debt with average amortising maturity of 8.5 years
 - Current MKIF net debt of KRW 132 billion with corporate debt funding not maturing until 2012
 - Proportionately consolidated gearing² of 48%

Mr Chul Hum Paik, Representative Director of Macquarie Shinhan Infrastructure Asset Management Co. Ltd. ("MSIAM"), said: "The underlying assets continue to deliver solid traffic results with most of the assets in the portfolio delivering positive traffic growth during the Quarter. As a result, the weighted average traffic and revenue for the portfolio grew year to date by 1.7% and 4.3%."

"We are also pleased with the successful debut of the three new assets during the Quarter, resulting in a significant reduction of construction risk for the portfolio. All three assets have opened to traffic on time and on budget and they have been performing to date generally in line with management expectations. Yongin-Seoul Expressway has had a weak start but with the rapid ramp-up in traffic, we believe this road will perform strongly in the long run."

Mr. Paik also noted, "Capital management continues to be the main business focus for MKIF at this time. The global infrastructure sector has undergone various forms of restructuring during the last 12 months reflecting concerns over leverage and over-funded distributions. MKIF, while relatively secure on the leverage front, is expected to remain reliant for the next few years on its capital management activities to help to fund the current distribution level. This is mainly because MKIF is relatively a young portfolio with a unique capital structure where at the project company level, cash is mostly used to retire external senior debt, giving rise to a back-ended revenue profile with a shortfall in distribution coverage in the short term at current distribution levels but overabundant revenue streams in the longer term."

"Given the shift in market norms for the global infrastructure industry and the precarious global economic conjuncture with potential impact on MKIF's assets, in particular the Busan New Port 2-3 scheduled to open in 2012, we believe the level of prudence for MKIF's long term cash management needs to be elevated. MKIF is currently undergoing a review of its near to medium term distribution policy, and subject to the approval of the Board of Directors, it will announce the distribution guidance for the second half estimated interim distribution for 2009 near 15 December. A long-term sustainability of healthy distribution capacity is the main management objective and will form the basis on which MKIF will address its distribution policy," concluded Mr. Paik.

¹ Proportionately consolidated cash balance (including corporate cash balance of KRW 271bn)

² Gearing = MKIF Net Debt / (MKIF Net Debt + MKIF market capital(3-month average)), where MKIF Net Debt = Proportionate net debt from assets + Corporate net debt. Excludes shareholder loans

Financial Results

(Unit: KRW million)

| | Quarter to 30 September 2009 | Quarter to 30 September 2008 |
|---------------------------|------------------------------|------------------------------|
| Revenue | 39,488 | 39,237 |
| Interest income | 39,688 | 39,405 |
| Other gain(loss) | (200) | (168) |
| Operating Expenses | 13,763 | 11,885 |
| Management fee | 5,973 | 6,934 |
| Interest expense | 5,742 | 4,363 |
| Other expenses | 2,048 ¹ | 588 |
| Net Income | 25,725 | 27,352 |

1. Including transaction related expenses

Traffic Results

| Asset | 2009 3 rd Quarter | | 2009 Year to Date | |
|-------------------------|------------------------------|--------------------------|--------------------------|--------------------------|
| | Traffic (%) ¹ | Revenue (%) ² | Traffic (%) ¹ | Revenue (%) ² |
| Weighted Average growth | 5.0% | 7.9% | 1.7% | 4.3% |

1. Percentage increase from prior corresponding period, based on average daily traffic.

2. Percentage increase from prior corresponding period, based on average daily revenue.

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Appendix1. Financial results (Unaudited, non-consolidated basis)

BALANCE SHEETS

As of 30 September 2009, 30 June 2009 and 30 September 2008

| | (Unit: KRW Millions) | | |
|---|----------------------|------------------|-------------------|
| | 30 September 2009 | 30 June 2009 | 30 September 2008 |
| Assets | | | |
| I . Invested Assets | 1,982,284 | 2,015,883 | 1,871,433 |
| Cash & deposits | 271,213 | 332,888 | 167,964 |
| Loans receivable | 1,103,086 | 1,082,440 | 1,107,648 |
| Equity securities ¹ | 607,985 | 600,555 | 595,821 |
| II . Others | 166,398 | 152,677 | 151,755 |
| Interest receivables | 152,541 | 138,624 | 140,599 |
| Other receivables | 3,219 | 3,308 | 2,424 |
| Deferred costs, net | 10,638 | 10,745 | 8,732 |
| Total Assets | 2,148,682 | 2,168,560 | 2,023,188 |
| Liabilities | | | |
| Payables | 4 | 9,599 | 9,596 |
| Management fee payable | 5,973 | 5,735 | 6,935 |
| Other liabilities | 73,128 | 3,019 | 2,553 |
| Long-term debt | 403,538 | 433,658 | 291,615 |
| Total Liabilities | 482,643 | 452,011 | 310,699 |
| Shareholders' Equity | | | |
| I . Share Capital | 1,670,986 | 1,670,986 | 1,631,531 |
| II . Retained Earnings | (4,947) | 45,563 | 80,958 |
| Total Shareholders' Equity | 1,666,039 | 1,716,549 | 1,712,489 |
| Total Liabilities and Shareholders' Equity | 2,148,682 | 2,168,560 | 2,023,188 |

1. Pursuant to the Financial investment Services and Capital Market Act, MKIF reports all its unlisted equity investments at acquisition cost. These are unaudited numbers and as such may be subject to change.

STATEMENTS OF INCOME

For the quarters ended 30 September, 30 June 2009 and 30 September 2008

(Unit: KRW million)

| | Quarter Ended 30 Sep 2009 | Quarter Ended 30 Jun 2009 | Quarter Ended 30 Sep 2008 |
|--|------------------------------|------------------------------|------------------------------|
| I . Revenue | 39,488 | 35,363 | 39,237 |
| Interest income | 39,688 | 39,344 | 39,405 |
| Gain(Loss) on sale of debt securities | (241) | (424) | (239) |
| Gain(Loss) on sale of loans receivable | - | (3,575) | - |
| Other income | 41 | 18 | 71 |
| II . Expenses | 13,763 | 14,349 | 11,885 |
| Management fees | 5,973 | 5,735 | 6,934 |
| Custodian fees | 84 | 85 | 86 |
| Administrator fees | 73 | 74 | 76 |
| Interest expense | 5,742 | 6,754 | 4,363 |
| Other expenses | 1,891 | 1,701 | 426 |
| III . Net Income | 25,725 | 21,014 | 27,352 |

Appendix 2. Traffic and Revenue

1. TRAFFIC VOLUME AND TRAFFIC REVENUE - PORTFOLIO SUMMARY

On a weighted average basis, traffic and revenue increased by 5.0% and 7.9%, respectively, during the third quarter (the Quarter), when compared to pcp. The highlights from the traffic results include:

- The solid traffic results for the Quarter is generally attributable to the improving economy affecting the number of road users and the travel time.
- Certain assets, including Woomyunsan Tunnel and Gwangju Second Beltway Section 3-1, had strong traffic results mainly due to the additional traffic inflow coming from more congested adjacent roads.
- Revenue for the Quarter increased 7.9% compared to pcp due to increases in toll rates at several assets.

| Asset | 2009 Third Quarter | | 2009 Year to Date | | % of MKIF Portfolio ^c |
|--|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------------|
| | Traffic (%) ^a | Revenue (%) ^b | Traffic (%) ^a | Revenue (%) ^b | |
| Incheon International Airport Expressway | 3.8% | 4.1% | (4.1%) | (3.8%) | 5.7 |
| Baekyang Tunnel | (0.2%) | (0.6%) | (1.6%) | (2.2%) | 0.1 |
| Gwangju Second Beltway, Section 3-1 | 14.9% | 27.5% | 14.7% | 23.0% | 5.3 |
| Gwangju Second Beltway, Section 1 | (3.5%) | 13.8% | (3.2%) | 8.3% | 9.8 |
| Woomyunsan Tunnel | 8.7% | 8.5% | 11.0% | 10.6% | 1.0 |
| Cheonan-Nonsan Expressway | 7.0% | 10.9% | 4.8% | 9.2% | 13.9 |
| Soojungsan Tunnel | (0.1%) | (0.9%) | (1.4%) | (2.6%) | 7.0 |
| Daegu 4 th Beltway East | 3.2% | 3.3% | 1.3% | 1.4% | 4.6 |
| Machang Bridge | 20.0% | 16.0% | 11.3% | 10.9% | 5.1 |
| Yongin-Seoul Expressway | N/A | N/A | N/A | N/A | 10.6 |
| Seoul-Chuncheon Expressway | N/A | N/A | N/A | N/A | 7.0 |
| Seoul Subway Line 9, Section1 | N/A | N/A | N/A | N/A | 3.8 |
| Weighted Average^d | 5.0% | 7.9% | 1.7% | 4.3% | - |

a Percentage increase from prior corresponding period, based on average daily traffic.

b Percentage increase from prior corresponding period, based on average daily revenue.

c Percentage based on total commitments by MKIF to all investments in the MKIF portfolio.

d Excluding three new assets opened in July 2009

As well as reflecting growth in traffic flows for each asset, the revenue growth recorded by the concession companies in which MKIF invests may reflect inflation linked toll rate increases, and may also be influenced by changes to the traffic mix, between heavy and light vehicles, for which different toll rates apply.

2. TRAFFIC AND REVENUE - INDIVIDUAL CONCESSION COMPANY PERFORMANCE

For the purposes of this analysis, traffic for each toll road asset is calculated as the average daily traffic volume. Except as stated otherwise, revenue for each toll road asset represents actual average daily revenue collected (excluding VAT). Actual revenue collected does not include minimum revenue compensation payments received from the relevant government authority or other minor forms of compensation received. Accordingly, revenue performance in the concession companies is not a direct guide to the revenue performance of MKIF.

Incheon International Airport Expressway

| Category | Year on Year | | | Year to Date | | |
|--|--------------|---------|----------|--------------|--------|----------|
| | Q3 2008 | Q3 2009 | % Change | 2008 | 2009 | % Change |
| Average daily traffic (vehicles / day) | 68,597 | 71,202 | 3.8% | 66,744 | 63,998 | -4.1% |

| | | | | | | |
|-----------------------------------|---------|---------|------|---------|---------|-------|
| Average daily revenue (1,000 won) | 391,221 | 407,171 | 4.1% | 383,775 | 369,082 | -3.8% |
|-----------------------------------|---------|---------|------|---------|---------|-------|

Note: Traffic for the Quarter increased compared with pcp as number of international travellers using the Incheon International Airport increased.

Baekyang Tunnel

| Category | Year on Year | | | Year to Date | | |
|--|--------------|---------|----------|--------------|--------|----------|
| | Q3 2008 | Q3 2009 | % Change | 2008 | 2009 | % Change |
| Average daily traffic (vehicles / day) | 66,674 | 66,529 | -0.2% | 67,035 | 65,947 | -1.6% |
| Average daily revenue (1,000 won) | 48,790 | 48,480 | -0.6% | 49,091 | 47,993 | -2.2% |

Note: Following negotiations with Busan Metropolitan City (BMC), the toll rates have not increased since August 2007. According to the Concession Agreement, BMC has been compensating for the incremental toll revenue foregone by the concession company.

Gwangju Second Beltway, Section 3-1

| Category | Year on Year | | | Year to Date | | |
|--|--------------|---------|----------|--------------|--------|----------|
| | Q3 2008 | Q3 2009 | % Change | 2008 | 2009 | % Change |
| Average daily traffic (vehicles / day) | 26,013 | 29,891 | 14.9% | 24,774 | 28,424 | 14.7% |
| Average daily revenue (1,000 won) | 20,859 | 26,596 | 27.5% | 19,907 | 24,478 | 23.0% |

Note: Strong traffic growth is attributable to the commencement of the adjoining Section 4 operation since 1 July 2007. Higher revenue growth than volume growth is mainly due to the toll rate increase since 1 April 2009.

Gwangju Second Beltway, Section 1

| Category | Year on Year | | | Year to Date | | |
|--|--------------|---------|----------|--------------|--------|----------|
| | Q3 2008 | Q3 2009 | % Change | 2008 | 2009 | % Change |
| Average daily traffic (vehicles / day) | 36,179 | 34,913 | -3.5% | 35,801 | 34,670 | -3.2% |
| Average daily revenue (1,000 won) | 31,480 | 35,831 | 13.8% | 31,284 | 33,883 | 8.3% |

Note: Despite traffic volume decrease, the revenue increase is attributable to the toll rate increase from 1 April 2009.

Woomyunsan Tunnel

| Category | Year on Year | | | Year to Date | | |
|--|--------------|---------|----------|--------------|--------|----------|
| | Q3 2008 | Q3 2009 | % Change | 2008 | 2009 | % Change |
| Average daily traffic (vehicles / day) | 21,412 | 23,280 | 8.7% | 20,458 | 22,713 | 11.0% |
| Average daily revenue (1,000 won) | 37,246 | 40,398 | 8.5% | 35,618 | 39,404 | 10.6% |

Note: According to Concession Agreement, the toll rate is fixed at KRW2,000 till 2009. The traffic has increased due to the migration of traffic from Seoul-Busan Expressway that has recently experienced traffic congestions due to the newly-introduced dedicated bus lane.

Cheonan-Nonsan Expressway

| Category | Year on Year | | | Year to Date | | |
|--|--------------|---------|----------|--------------|---------|----------|
| | Q3 2008 | Q3 2009 | % Change | 2008 | 2009 | % Change |
| Average daily traffic (vehicles / day) | 33,151 | 35,487 | 7.0% | 32,128 | 33,655 | 4.8% |
| Average daily revenue (1,000 won) | 236,146 | 261,997 | 10.9% | 229,930 | 251,046 | 9.2% |

Note: The higher revenue growth compared to traffic growth is due to the toll adjustment made in October 2008.

Soojungsan Tunnel

| Category | Year on Year | | | Year to Date | | |
|--|--------------|---------|----------|--------------|--------|----------|
| | Q3 2008 | Q3 2009 | % Change | 2008 | 2009 | % Change |
| Average daily traffic (vehicles / day) | 39,190 | 39,146 | -0.1% | 39,309 | 38,754 | -1.4% |
| Average daily revenue (1,000 won) | 29,712 | 29,430 | -0.9% | 29,831 | 29,067 | -2.6% |

Note: Following negotiations with Busan Metropolitan City (BMC), the toll rates have not increased since 2008. According to the Concession Agreement, BMC has been compensating for the incremental toll revenue foregone by the concession company.

Daegu 4th Beltway East

| Category | Year on Year | | | Year to Date | | |
|--|--------------|---------|----------|--------------|--------|----------|
| | Q3 2008 | Q3 2009 | % Change | 2008 | 2009 | % Change |
| Average daily traffic (vehicles / day) | 18,419 | 19,016 | 3.2% | 18,329 | 18,575 | 1.3% |
| Average daily revenue (1,000 won) | 18,464 | 19,072 | 3.3% | 18,373 | 18,627 | 1.4% |

Note: Following negotiations with Daegu Metropolitan City (DMC), toll rates were not increased since the operation commencement. According to the Concession Agreement, DMC has been compensating for the incremental toll revenue foregone by the concession company.

Machang Bridge

| Category | Year on Year | | | Year to Date | | |
|--|--------------|---------|----------|--------------|--------|----------|
| | Q3 2008 | Q3 2009 | % Change | 2008 | 2009 | % Change |
| Average daily traffic (vehicles / day) | 10,280 | 12,334 | 20.0% | 10,280 | 11,442 | 11.3% |
| Average daily revenue (1,000 won) | 21,804 | 25,294 | 16.0% | 21,804 | 24,181 | 10.9% |

Note: Machang Bridge has commenced its toll operation from 15 July 2008. Following agreements with Gyeongsangnam-do Province (GSND), timing for revenue compensation payment has been moved up and toll rate was decreased to KRW 2,000 from KRW 2,400 from 1 September 2009 until the end of 2010.

Yongin-Seoul Expressway

| Category | Year on Year | | | Year to Date | | |
|--|--------------|---------|----------|--------------|--------|----------|
| | Q3 2008 | Q3 2009 | % Change | 2008 | 2009 | % Change |
| Average daily traffic (vehicles / day) | - | 32,953 | N/A | - | 32,953 | N/A |
| Average daily revenue (1,000 won) | - | 52,735 | N/A | - | 52,735 | N/A |

Note: Yongin-Seoul Expressway has commenced its toll operation from 1 July 2009. Since opening, the traffic volume has increased considerably, recording average daily traffic of 25,218 vehicles/day in July, 33,003 vehicles/day in August and 40,892 vehicles/day in September.

Seoul-Chuncheon Expressway

| Category | Year on Year | | | Year to Date | | |
|--|--------------|---------|----------|--------------|---------|----------|
| | Q3 2008 | Q3 2009 | % Change | 2008 | 2009 | % Change |
| Average daily traffic (vehicles / day) | – | 32,190 | N/A | – | 32,190 | N/A |
| Average daily revenue (1,000 won) | – | 199,669 | N/A | – | 199,669 | N/A |

Note: Seoul-Chuncheon Expressway has commenced its toll operation from 15 July 2009. Average daily traffic was 31,779 vehicles/day in July, 38,058 vehicles/day in August and 26,346 vehicles/day in September.

Seoul Subway Line 9, Section 1

| Category | Year on Year | | | Year to Date | | |
|--|--------------|---------|----------|--------------|---------|----------|
| | Q3 2008 | Q3 2009 | % Change | 2008 | 2009 | % Change |
| Average daily initial boarding* (passengers / day) | – | 130,687 | N/A | – | 130,687 | N/A |
| Average daily revenue (1,000 won) | – | 96,143 | N/A | – | 96,143 | N/A |

* Excludes inter-charge passengers

Note: Seoul Subway Line 9, Section 1 has commenced its toll operation from 24 July 2009. Following negotiations with SMC, the initial fare has been temporarily set at KRW 900 for the first year of operation and the fare will be re-set in October 2010 based on the actual volume of initial boarding and transfer passengers up to that time. The 50% threshold for MRG payment has been waived for 2 years from the operation starting date. The patronage volume has increased recording 123,569 passengers/day in August and 138,153 passengers/day in September.